

LONG BEACH

BUSINESS JOURNAL

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Brandon Richardson / Business Journal

Increasing interest rates have cooled the housing market, causing prices and inventory to decrease, according to local experts.

Housing market subdued by

interest rates, low inventory

By Tess Kazenoff

While the first year of the pandemic brought low interest rates to the housing market, the pendulum has swung in the opposite direction throughout 2022, with some experts estimating that interest rates will continue to rise through the end of the year.

“Once we started to come out of that initial lockdown and interest rates dropped, it was so affordable to purchase that there was just this crazy frenzy,” said local real estate agent Michelle Tumanjan.

For many of Tumanjan’s clients looking to buy, there was no longer any inventory, and sellers would

immediately receive multiple offers on their house right off the bat, she said.

“That was kind of a frustrating time,” Tumanjan said. “It’s never fun to tell a client they didn’t get a house.”

Nowadays, Tumanjan has many buyers who have been pre-approved, but they are faced with a less affordable situation due to interest rates nearly doubling over the past year, she said.

“A lot of people did sell when the market was hot, and they’re locked into such a great low rate,” Tumanjan said. “There’s just not a lot of inventory still, but now, not a lot of demand because people are already comfortable with the 30-year rates that they have that are extremely low.”

As of Nov. 21, the current average

rate for the benchmark 30-year fixed mortgage was 7.32%, up 15 basis points since the prior week, and increases are expected to continue into 2023, according to Bankrate.

“I’ve never seen a market like the one we just experienced this year,” said Phil Jones, Realtor and past president and director of the Greater Long Beach Board of Realtors.

Particularly since mid-spring of this year, interest rates began to climb dramatically, Jones said.

“It’s kind of a shockwave that went through the economy when (the Federal Reserve) jumped the overnight rate as much as they did,” he said.

The impact on the mortgage industry was dramatic.

“As a whole, we’ve seen some large-scale, formerly strong lenders literally going out of business,” Jones said.

While major lenders typically carry 430 to 450 open loans on their books, Jones said he knew of one mortgage banker that was down to 29 by the middle of October.

“It’s an indication of how significantly it impacted lenders, buyers, sellers, the financial markets—in many ways, it’s been worse than the Great Recession,” Jones said.

For first-time home buyers, “they

Developing southeast

Long Beach requires

a balancing act

By Brandon Richardson

Three major housing developments are coming to southeast Long Beach, near the Los Cerritos Wetlands, as city officials push for more units to address the ongoing housing crisis.

While the projects have seen some pushback from the local community, city officials say housing needs to be built in every area of the city, and the sites of the three projects lend themselves to higher density and traffic than other alternatives in the area.

The three developments, which will bring a combined 1,353 units to the area, are slated for properties currently occupied by commercial buildings, including retail and office space. The redevelopment is made possible through the city’s Southeast Area Specific Plan and the city’s Housing Element, which identified the parcels as suitable for high-density mixed-use residential projects.

The largest of the three developments is to be located at what is currently the Marina Shores retail center at 6500 E. Pacific Coast Highway. The project includes 670

Continued on page 4

Long Beach rent costs

will keep growing,

new report finds

By Tess Kazenoff

Over the next couple of years, Long Beach could continue to see rent increases, according to a new report from USC’s Lusk Center for Real Estate.

In Long Beach, where 60% of residents are renters, vacancies have dipped to under 5%, a trend that is mirrored in Los Angeles County, as well as Orange County, San Diego County, and the Inland Empire.

“The biggest driver of rents next quarter is vacancy in the previous quarter, so when vacancy is low, rents go up,” said Professor Richard Green, director of the Lusk Center and co-author of the annual report, which was released earlier this month.

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The office building at 6615 E. Pacific Coast Highway at the Marketplace retail center is slated to be redeveloped into a mixed-use apartment building with hundreds of units.  
Brandon Richardson / Business Journal..... Cover

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# Long Beach developer may use state law to override Hawaiian Gardens’ project veto



Brandon Richardson / Business Journal

A proposed 13-unit residential development on a site used for storage is expected to be denied by the Hawaiian Gardens City Council next month.

By Brandon Richardson

A Long Beach developer is threatening to use state law to circumvent an anticipated decision by the Hawaiian Gardens City Council to deny a proposed project. The City Council signaled last month that it will likely deny the proposed development—a modest multigenerational and workforce housing project—over density and economic concerns. But state law intended to spur new housing may allow the project to move forward regardless.

The developer, Long Beach-based Urban Pacific, proposed the 13-unit development for 12300 Tilbury St., which currently serves as a construction storage yard on the border of the city of Lakewood. The lot is currently zoned for commercial use but has been identified by the city as an opportunity site for redevelopment.

Each three-story “urban townhouse” would consist of five bedrooms, four bathrooms, an in-unit washer and dryer, a small front yard, a balcony and a direct-access two-car garage.

“It’s a good project, but it’s not a good project for Hawaiian Gardens,” Mayor Luis Roa said during an Oct. 25 council meeting. In Hawaiian Gardens, the mayor and mayor pro tem are voting members of the five-

person council.

After public comments and brief statements by councilmembers, the body voted 4-0 to direct city staff to draft a “resolution of denial” that the council will weigh next month. One councilmember recused themselves from the hearing because they live near the proposed project site.

Ahead of the vote, Urban Pacific

site, said “the nightmare of parking and congestion still exists.”

Several councilmembers, meanwhile, said approving the development would be a “disservice” to the community because rents would be too expensive for many residents. The council said what is needed is mixed-use and affordable housing developments—which would likely

and added that there are various economic issues to be considered, including the city’s need to diversify its revenue streams, which currently rely heavily on the Gardens Casino.

“For the most part, we are fully built out. We have almost zero commercial space left,” Councilmember Victor Farfan said during the meeting. “The space that is left, the city wants to do its best to diversify its revenue streams as much as possible.

“It’s hard for me to say this is the best opportunity for the community to make the most amount of money.”

While the urban townhouse units are not affordable as defined by the government (subsidized housing with covenants that require rents be attainable for those making 60% or less of the area median income), Choppin argues it is affordable for families with multiple generations living under one roof or as workforce housing.

Urban Pacific has successfully built this product type in several cities throughout Southern California, including Fullerton and Montebello, as well as numerous projects in Long Beach, according to Choppin.

Rents at the company’s completed projects range from about \$3,000 to \$3,750 per month, or \$750 per bedroom. In the Long Beach area, many new market-rate one- and two-bedroom apartments are renting for anywhere between \$2,000 and \$3,000.

Because the housing type is meant for multigenerational families and workforces, the cost is expected to be shared among several working people, Choppin explained.

“This dynamic is turning out to be true,” Choppin said, noting his completed projects are leasing well and have not caused the various issues brought up in Hawaiian Gardens. “It’s unfortunate that the city did this, but we have an interesting set of tools that we never had before.”

## Using state law

At less than 1 square mile and with a population lower than 14,000, Hawaiian Gardens sits on Long Beach’s eastern border. Like every other city in California, the tiny municipality continues to fall short of its housing development goals as outlined by the state.

According to the city’s draft housing element, Hawaiian Gardens is made up mostly of single-family units, which account for 61.1% of the city’s housing stock. Out of 3,646 units, 1,748 are single-family detached, 527 are single-family attached, 364 are multifamily with two to four units, 834 are



Southeast Long Beach

Continued from cover

units in two five-story buildings as well as 4,000 square feet of retail space.

Across the street to the east, at 6615 E. Pacific Coast Highway, a 380-unit, six-story building with 4,800 square feet of retail is set to replace an office building. The project includes 71 affordable units.

To the south of Marina Shores, at 6700 E. Pacific Coast Highway, a 281-unit building with 3,390 square feet of retail space also is slated to replace an office building. The development by Holland Partner Group, which also is six stories tall, also includes affordable units.

Community pushback

But as is the case with most affluent areas with high levels of ownership, the prospect of increased density has seen some pushback.

“Am I happy about it? Not particularly,” Elizabeth Lambe, executive director of the Los Cerritos Wetlands Trust, said of the forthcoming residential developments. “The community in general did not want these heights.”

Still, the projects are so far faring better than past attempts at housing development in the area.

Before being transformed into the 2ND & PCH retail center, for example, a 12-story condominium tower was proposed for the site of the former SeaPort Marina Hotel. Outcry from residents and environmental groups put an end to the ambitious proposal in 2016.

For Lambe, protecting the wetlands is a top priority when it comes to considering any new project. City officials, though, have been responsive to those concerns and included safeguards when approving the SEASP that is now guiding the new construction.

“I was really heartened during the SEASP process,” Lambe said, “by how often people brought up the importance of the wetlands.”

Southeast area residents and environmentalists, though, are still concerned about the impacts of increasing the population of the area—namely, traffic congestion as well as air, noise and light pollution that could negatively affect wetlands wildlife.

Lambe said the idea of extending Studebaker Road through the wetlands has been floated in the past—a proposal that she said would be devastating to the wetlands. But Third District Councilmember Suzie Price, for her part, said such a proposal would be “dead on arrival” and would never pass the various levels of approval it would require.

“No matter how many times we say it, people don’t want to believe it,” Price said. “That will never be approved by the Coastal

Commission because it would disrupt a very sensitive habitat.”

Balancing needs

Since 1969, local governments have been required to create housing elements that identify both projected housing need and sites suitable for development as part of the Regional Housing Needs Assessment (RHNA). Under the current cycle of RHNA, Long Beach needs to build over 26,502 units between October 2021 and October 2029, including 7,141 very-low-income, 4,047 low-income, 4,158 moderate-income and 11,156 above-moderate-income units.

Despite its efforts, however, the city continues to develop significantly fewer units each year than is required by state law. The problem is not specific to Long Beach, of course. Every city across California has for decades fallen woefully short of state goals for new housing development.

While most of the city’s new construction in recent years has gone up in Downtown and Midtown, state officials pushed Long Beach to identify further development opportunities in other parts of the city.

With that in mind, the Pacific Coast Highway corridor in southeastern Long Beach seemed like a prime location.

As for traffic concerns, the intersection at Second Street and Pacific Coast Highway is already one of the busiest in the city, particularly since the development of 2ND & PCH, which increased usage of Marina Drive as an alternate route.

The new residential projects, though, could still result in increased usage of Shopkeeper Road on the backside of the Marketplace, Price said. The street currently dead ends behind the retail center and would need to be extended through

several parking lots to allow for easy through-traffic.

The three projects in question, as well as any other development in the SEASP area, also require Coastal Commission approval, Price noted.

Lambe said she and the organization will be keeping a sharp eye on the projects and will engage with developers and government agencies every step of the way to ensure the wetlands are protected.

Working together

The three projects make a meaningful impact on the city’s housing needs, Price said, adding that the mix of one- to three-bedroom units is much needed. She said she is happy all three projects include ground floor retail space, which will improve walkability in the area.

District 3 residents have been worried about mixing densities, Price said, meaning they wanted to keep apartment buildings out of single-family neighborhoods to avoid traffic and parking issues. For this reason, Price said the Pacific Coast Highway corridor is an ideal location for these projects.

The developers, for their part, say they are open to working with the city and community members, Price said, adding that her office already has connected the groups.

George Elum, managing director for the Holland Partner Group, said the firm plans on following SEASP to the letter since the community provided input during the process. He said meetings with stakeholders have been positive so far.

In early conversations, people were worried about parking counts, Elum said. So the firm increased the number of parking stalls to 477 for its 281 units, exceeding what is required by law. A portion of the parking will be reserved for free public use.

Some community benefits,

however, already were included in the plans, he added.

“Adjacent to the river we’ll be creating a little park and restoring the bike path,” Elum said. “And on the ground floor we’ll have a bike repair room and a bike wash.”

When it comes to traffic mitigation, Elum said the firm had to pay a “pretty significant” traffic impact fee.

The two other developers, Onni Group and Carmel Partners, did not respond to interview requests.

Third District resident Dorothy Johnson said one of the developers (she did not recall which) already had met with residents.

“We are very happy they did,” Johnson said. “They showed us pictures of the building and it was lovely, they seem to have an interest in helping the wetlands—they seem to us to be very genuine.”

Johnson, who has lived in the area for decades, still has concerns about traffic and parking, but she said she thinks the project she was shown will complement the area well. She said the area is not used to density, which she acknowledged has created a somewhat selfish mentality around development.

While some residents simply will never be happy to see new, dense developments in their neighborhoods—especially if they own—Price said the onus of creating housing is on every district. In recent years, the vast majority of new housing has been created in or near the Downtown area.

“I believe that we should be taking on the burden citywide instead of just pushing it out into a particular area,” Price said. “That’s what the Southeast Area Specific Plan was designed to do—that on that additional density where it makes sense. Saying things like ‘We don’t have vacancy in our district’ is not an option.” ■

City Council approves new 226-home River Park development near Los Angeles River

The River Park project will include 74 two-story single-family homes, 99 two-story row townhomes and 53 carriage townhomes.

By Jason Ruiz

A proposed housing development along the Los Angeles River was approved by the Long Beach City Council earlier this month, which could bring 226 new homes to the area.

The River Park development will include 74 two-story single-family homes, 99 two-story row townhomes and 53 carriage townhomes. A dozen of the units will be reserved for very-low income buyers, which Los Angeles County defines as having an annual household income of \$59,500 or less for a family of four.

The city’s Planning Commission had approved the project in September, but because it requires a zoning change, the City Council had to give final approval.

Integral Communities of Newport Beach is the developer that proposed the project and intends to build it at the 20-acre site situated between the 405 Freeway and Wardlow Road on the east side of the river.

The project will include improvements to the existing Baker Street Park, which will get a new bathroom, and will install a new traffic signal on Wardlow Road to allow residents to safely enter and exit the housing development.

The site was used for oil wastewater treatment in previous decades and will require significant remediation before homes can be built. Integral had previously estimated the project could be completed by 2026.

Residents opposed to the project said the city should not approve it because it would eat into already diminishing space along the river, which they said was promised to them as future park space in the 2007 Long Beach River Link plan. Opponents also said the development could

potentially create new traffic and greenhouse gas issues for the area.

Juan Ovalle, president of the Riverpark Coalition, which opposes the project, said the area “needs environmental justice, not a gated community.”

Ovalle also said the project should be continued until the area’s councilmember could meet and hear constituents’ concerns of the project. Councilmember Roberto Uranga represents the area but has been absent from public meetings since suffering a stroke in late September. There’s been no announcement on when he’s expected to return.

In response to the call for a delay, Development Services Director Christopher Koontz said that the project was entitled to have the council vote on it within 60 days by city policy. That date had already passed, and pushing it back any further for the councilman to return would continue to put the city out of compliance with its own rule.

Koontz said the project was one of the best the city has ever negotiated and includes a nearly 5-acre public park and 12 units of affordable housing, both of which were not requirements of the project.

Ovalle’s group recently scored a legal victory over a different project located just north of the River Park housing site, when a judge ruled that the developer behind a proposed storage facility needed to conduct an environmental review.

The proposed housing development has already conducted an environmental review for its project, and a representative from Integral Communities said its remediation plan has also been approved by county officials.

City Manager Tom Modica said the city had looked at developing the site into open space in the past but was unable to negotiate a deal to purchase the land. He estimated that developing park space could cost about \$1 million to \$2 million per acre, not including the cost of acquisition. Developing this parcel could cost more than \$30 million, Modica said.

The council voted 8-0 to approve the zoning changes and enter into a development agreement with Integral Communities. ■

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Students from Starr King and Bixby elementary schools tour the Los Cerritos Wetlands Friday, Aug. 12, 2022.



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Hawaiian Gardens

Continued from page 3

multifamily with five or more units, and 251 are mobile homes.

From 2000 to 2020, the number of single-family homes in Hawaiian Gardens increased by 314, while the number of multifamily and mobile homes decreased by 190 and 24, respectively. Less than 5% of the city's housing stock was built after 1990.

The city's residential vacancy rate is 2.1%.

Based on the most recent Regional Housing Needs Assessment, Hawaiian Gardens must develop 331 residential units by 2029. Cities are required by state law to submit housing elements that detail how they will meet their RHNA allocation, including identifying sites for redevelopment.

Hawaiian Gardens officials submitted a draft housing element for review in December 2021. In a February 2022 letter, the California Department of Housing and Community Development informed the city that revisions were needed to comply with state law.

The state outlined dozens of revisions, mostly centered around the need for analysis on topics such as "segregation and integration and disparities in access to opportunity," substandard housing and homelessness within city limits, identifying contributing factors to fair housing issues, analysis of special housing needs for various groups, including large families, and more.

The city resubmitted its draft housing element on Aug. 15, according to Community Development Director Elise McCaleb. On Sept. 29, the state responded with additional revision requirements, which city staff are still working to address, she told the Business Journal on Nov. 21.

Having missed the Oct. 15 deadline for a certified housing element, the

city is now out of compliance with state law, which triggers a section of Senate Bill 330, also known as the Housing Crisis Act of 2019, which allows developers to submit an application to the state to go over the heads of local governments.

Since 1990, the state's Housing Accountability Act (which SB330 amended to limit local authority to downzone properties, among other things) has provided a so-called "builder's remedy" that bypasses local zoning code and general plans if a city is not in compliance with state law and the project consists of at least 20% affordable units. The Urban Pacific project includes three affordable units, which is 23% of the proposed units.

With the city out of compliance and the number of affordable units, Urban Pacific's lawyers at Holland & Knight argue the city is "forbidden from denying the project," according to a Nov. 14 letter. The firm states that the project, which originally required a general plan and zoning change, does not have to be entirely consistent with city zoning and land use designation.

Once the application is submitted, the city cannot have its housing element certified and then use it to deny the project, Choppin said. Additionally, all applicable fees are frozen, meaning any subsequent increases by the city will not apply to the Urban Pacific project.

None of the councilmembers responded to requests for comment for this story.

The law firm urged the council to reconsider its decision ahead of the Dec. 13 meeting. If it does not, and the state approves the SB330 application, the firm said it is ready to take legal action if the city does not comply with the HAA within 60 days. Fines up to \$10,000 per unit could be levied against the city as the result of subsequent lawsuits if the city does not comply.

"None of us hope it has to go there," Choppin said, "but that's the ultimate legal authority under these laws." ■



Brandon Richardson / Business Journal

A five-unit urban townhouse development by Urban Pacific at 1491 Atlantic Ave. in Long Beach. Each unit has four or five bedrooms, three or four bathrooms, a two-car direct-access garage, central heating and air, and in-unit laundry.



Fernando Haro Garcia / Business Journal

A family cuts the ribbon to their new Habitat for Humanity home in the Washington neighborhood.

Habitat LA completes latest Long Beach project

Millennium Homes, which is located alongside 14th Street Park between Pine and Pacific avenues, is meant to connect low-income families to affordable, to-own units.

By Fernando Haro Garcia

Nine low-income families received the keys to their brand-new townhomes in Long Beach's Washington neighborhood during a ribbon-cutting event earlier this month.

Millennium Homes, which is located alongside 14th Street Park between Pine and Pacific avenues, is one of Habitat for Humanity Los Angeles' latest projects in the city meant to connect low-income families to affordable, to-own units in Central Long Beach. And at Millennium Homes, the residents are all first-time homeowners.

The development site consists of 10 two-story Craftsman-style townhomes; each one features three bedrooms, two bathrooms and attached two-car garages. (The 10th family is still in the qualification process and must be approved before they, too, can get their keys.) The development also includes

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Housing Market

Continued from cover

can be more impacted than anyone," as they generally don't have the ability to make larger down payments due to a lack of equity from a previous home they've owned, Jones said.

While there are programs that can make it possible for home buyers, payments will be higher, Jones said.

However, it is important to note that current rates are not historically high, but rather are high when compared to the recent 15 or 20 years, Jones said.

In the 1980s, for example, interest rates reached 17 and 18%, and on government-insured loans such as Federal Housing Administration loans, rates have reached as high as 22%, Jones said.

Still, today's higher interest rates are significant enough that they've led to lower home prices—while the median price of a home in Long Beach was around \$900,000 a year and a half ago, the number has dropped down to the \$820,000 range, Jones said.

"That prices an enormous number of people out of the market, and with interest rates going up, it really dwindles, shrinks the buyer pool as well," Jones said.

Trends are similar throughout LA County and California. Countywide, the median home price in October decreased to \$854,280 from \$891,770 in September, a 4.2% decline, according to the California Association of Realtors.

In October, home sales also fell by over 6% in LA County compared to September, and were off 40% compared to a year ago.

Statewide, the median price last month was \$801,190, compared to \$821,680 in September, a decrease of 2.5%.

However, what has been perhaps more significant than the interest rates themselves has been the rapidity of the increases, said Edward Coulson, director of research at the University of California, Irvine's Center for Real Estate.

After the pandemic exacerbated supply chain issues, interest rates were kept low to stimulate investments and prevent a post-COVID recession, Coulson said.

Coupled with the Russian invasion of Ukraine, which put a strain on energy markets, there is now a significant level of inflation, Coulson said.

The Fed thinks "that this inflation is . . . so pervasive that really aggressive action is needed—that's my personal opinion," Coulson said.

For potential home buyers who are flexible with their timing, Coulson urged them to wait at least a couple of months.

"Watch the market, and watch the particular neighborhood because all real estate is local," Coulson said. "You should be cautious about buying right now."

Although median home prices are expected to level out, and there is some speculation that the next interest rate increase will be only

half a point, according to Jones, there is a problem even larger than rising interest rates impacting the housing market: a historic lack of inventory.

"We're seeing sales impacted, we're seeing the buyers clearly impacted, in most cases priced out of the market," Jones said.

The California Association of Realtors, which monitors home affordability based on current prices and interest rates, projects that affordability of median-priced homes will decrease to 18% of the public being able to afford a home with the current prices and interest rates, Jones said. "It's dropped consistently from 2020, 2021, because the market was so unexpectedly overheated during COVID," Jones said.

In Long Beach, there has typically been an inventory of about 3,000 properties for sale at any given time, including condos and single-family detached homes, said Jones.

However, that number is currently at only 448—"a remarkably low level of homes for sale," which keeps upward pressure on pricing, Jones said.

"If you were to look at a graph, it would look like a cliff," Jones said.

In October, ending sales in Long Beach were down 65% compared to last October, and closed sales dropped 49%, Jones said.

There has also been a 31% drop in new listings coming on the market, Jones said.

"It's a significant impact, the combination of the increase in interest rates and the stability of the median price," Jones said.

The problem is indicative of larger challenges throughout California, where regulations make home development particularly complicated and costly, Jones said.

While certain cities in California can add "hundreds of thousands of dollars" to home development costs, the California Environmental Quality Act has been used to block development projects statewide over the past 40 years, Jones said.

"There does not look to be any appetite for reform politically, because no one wants to take on the environmentalists," Jones said. "We all believe the environment is important,

but when it's being utilized to block housing, it creates a sizable problem."

California is about 3 million houses short of meeting the needs of the current population, Jones said.

"We've underbuilt in this state for years," Jones said. "It's been estimated that to keep up with the population growth, California should've built 180,000 new units annually, and we haven't hit that number in about 20 years."

While Long Beach has been more successful in building than in other cities, it's largely a renters' city and is greatly in need of tenant housing as well as housing for ownership, Jones said.

Theoretically, rising interest rates could even impact rental rates, prompting landlords to ask for higher rents to compensate for their own payments, Jones said. And they can have other unintended impacts, as well.

"The housing shortage has grown exponentially, and of course, that exacerbates the homeless issue," Jones said. "It impacts so many other elements of life."

Efforts have been made to ease property development regulations. For instance, Gov. Gavin Newsom signed two bills into laws in September that would make it easier to create residential housing from unused commercial buildings.

However, its effects have yet to be seen, as both laws will go into effect in July 2023.

Jones anticipates interest rates in the 7% to 8% range to continue into 2023, and for the number of sales to continue to decline through the middle of next year, he said.

Despite the numerous challenges facing the real estate market, for those who have to move now, purchasing a home can still offer numerous tax benefits, and over the long term, real estate has the opportunity to appreciate in value, Jones said.

Tumanjan echoed this sentiment. "Don't let all the chatter scare you. I would advise talking to a professional always before you make a decision on what you can afford," she said. "I feel like a lot of people are deterred by all this news, and it still could be an affordable situation." ■



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COLUMNIST: TIM GROBATY

ZIPping around Long Beach

In this series, we'll look at real estate in the city's different ZIP codes. We'll start with 90802, 90803 and 90804. Check back in future editions for the rest.

**90802**

We're embarking on a ZIP tour of Long Beach, exploring real estate in a dozen of the city's habitable ZIP code areas, starting from my suite of offices in the 90802 ZIP that covers the coastal area of Downtown Long Beach.

The area consists roughly of the neighborhoods between the Pacific Ocean and Seventh Street and from the LA River and the harbor to either Junipero Avenue (south of Broadway) or Cherry Avenue (north of Broadway).

The median listing price for a home in 90802 in September was \$572,500 according to Realtor.com. That's \$200,000 below the median price in the city.

On the market now is a two-bedroom, two-bath California bungalow priced by listing agent Andrea Bigler about midway between the 90802 median and the citywide median at \$659,000. The home is on a corner lot at Tile Avenue and Florida Street in Alamitos Beach's "gayborhood," about equidistant from the bars on Broadway and Fourth Street's Retro Row.

The home is surrounded by a white picket fence—a trademark feature of your basic American Dream house—and inside, the living and dining areas are bright and relatively roomy. The kitchen is cheerful, thanks to new cabinetry and some

striking bright blue tilework.

And it's no small matter that, in this neighborhood where parking is a perennial concern, the house has a detached one-car garage and a driveway for off-street parking. The money you save on street-sweeping tickets will go a long way toward paying your mortgage.

Next, there's a 1904 bungalow at 532 W. Fifth St. with a nice large porch, a good-luck welcoming front door and a bright and open living room and dining area. The kitchen is modern with wood floors and updated appliances.

Other upgrades include ductless air-conditioning and new flooring and lighting. Perhaps because the home was built about five years before Model T Fords began coming off the assembly line, there's no garage, just street parking. The 825-square-foot home is listed by Narine Chobanyan at \$689,000.

Finally, there's a fully updated 1905 home at 1444 Appleton St., listed by Silva Zhang at \$920,000. Is this two-bedroom, one-bath home worth more than \$200,000 more than the other two homes featured today?

It depends on what you want. This corner-lot house is right next door to the Falcon bar, if that's a selling point. And it's closer to the beach than the other two, and according to Zhang, the previous owner has

poured about \$100,000 into gussying the place up. And, even with just two bedrooms and a bath, it's the largest of the three homes at 1,104 square feet.

Updates include a newly landscaped backyard, a remodeled kitchen with granite counters, and double deep sinks, custom wood blinds, new vinyl windows and newer copper plumbing, electrical, water heater and furnace.

And, again, this is gold: You get two parking spaces in a neighborhood where you'll never find two parking spaces on the street.

**90803**

Let's say you have a million dollars—no, that's not enough; you can't buy anything for a million dollars these days. So, let's say you have five million dollars. OK, now you're wealthy. The question is: In what part of Long Beach will you choose to buy your home?

You're more than likely to want to pick somewhere in the 90803 ZIP code area.

Pound for pound, almost everywhere in the 90803 is a great place to live if you can afford it. And that's a big "if," because the median listing home price in October was \$1.4 million, just about double the median price in the city overall, where it's \$749,000 (and that would be lower if you factored out the 90803).

Starting off at the low end of 90803 real estate is a cozy two-bedroom, one-bath, sort of Tudor-esque cottage with a bit of a catslide roof leading down to the entryway.

The 1927 home, at 213 Santa Ana Ave. in Belmont Shore, is listed by Noelle Longmeyer of Keller Williams at \$1.3 million. It's been thoroughly brought into the 2020s with a new kitchen, bathroom, HVAC, plumbing and electrical.

The 964-square-foot home is just a short walk to the Bay Shore Beach and Second Street. In addition to the two bedrooms, there's also a fully insulated and finished loft, which can serve as a third bedroom, though more likely a guest room or an office. Its square footage is not included in the listed square footage.

Jumping up in class and size while diving deeper into your pocketbook, there's a bit of a Spanish-style mansion up in Belmont Heights at 264 Termino Ave. It's a five-bed, seven-bath home covering more than 4,000 square feet of high living space. It's cozy for its expansive size, with fireplaces in both the living room and the family room.

Built in 1990, it's been well maintained and includes two offices, each with its own bathroom, as well as a large primary suite with a sitting area and a private balcony.

The home is listed at \$2.67 million by Crystal Glennig of Compass.

Now, on to Naples, the height of new-money opulence, where the architecture can sometimes be exhilarating and adventurous and sometimes just gaudy and show-offish. This large three-bedroom, four-bath home picks a style—a Mediterranean Revival—and stays with it.

It's a canalfront home at 58 Rivo Alto Canal, listed by Charles Chang at \$3.75 million.

It's not an untoward price for this location and for this particular home. The entry has a front yard entertainment area featuring a firepit and built-in

seating that merges with the interior by way of 9-foot-tall glass bi-fold doors. The first floor includes a spacious living room with a 16-foot-high ceiling and an equally large kitchen with two islands, Viking appliances and a dumbwaiter for rooftop dining.

The second floor has two of the bedrooms, a laundry room, a library and a second-floor patio.

The third floor is largely given over to the primary suite with a sunroom and a walk-in closet as well as access to the rooftop deck with an outdoor kitchen, built-in barbecue, beverage refrigerator and a 6-8-person Jacuzzi and fireplace.

It's pretty close to the pinnacle of properties currently listed in the 90803 ZIP.

**90804**

Heading north from the waterfront ZIP code 90803, the landlocked 90804 is relatively small, in terms of area at just 2.11 square miles, and highly dense, with a population of just under 40,000 people.

Its area runs north of Seventh Street to Pacific Coast Highway and stretches from Cherry Avenue east to PCH (where the highway drops from east-west to south-by-southeast).

The 90804 is made up largely of renters, who live in about 80% of the housing units in the area.

Median home sale prices are around \$625,000, well below the city's median.

One of the more desirable residential sections of the area is the Rose Park Historic District, where you can pick up a family-size three-bedroom, two-bath home at 930 Gladys Ave. for \$865,000.

Much of the housing in the 90804 was built in the neighborhood's early 20th-century heyday. This 1,310-square-foot home was built in 1919, and like others of its era before the advent of kitchen appliances beyond a stove and an ice box, its kitchen is on the small side.

Vintage details include hardwood floors and a remodeled bathroom with subway tile. Upgrades include a new roof and 200-amp electrical service. The yards are labor-free with artificial turf and in an area where parking can be problematic, there's a detached two-car garage and a long driveway.

The home is listed by Realtor Ramona Bleick of Berkshire Hathaway.

A home listed closer to the area's median, offered by Realtor Javier Alvarez at \$679,000, is a 1,131-square-foot three-bedroom, one-bath home at 2820 16th St.

The 1924 home has been fairly modernized with a pleasant kitchen that leads to the centerpiece of the home, a large family room with a fireplace and an open-beam ceiling and plenty of light from its large windows.

The backyard is spacious and has a wood deck for entertaining.

If you want to leave the area for your dining and shopping, listing Realtor Javier Alvarez of Keller Williams in his description of the property notes that it's located "just two miles away from the Belmont Shores."

Our last home in the 90804 is a pricier corner-lot home at 795 Loma Ave. at Eighth Street in an area just east of Rose Park.

Listed by Realtor Stella Ann Almaguer of Think Boutiq at \$975,000, this 1920 Craftsman home is relatively spacious for a two-bedroom, one-bath home at 1,018 square feet.

It's in a nice neighborhood with an easy walk to Recreation Park and the Colorado Lagoon.

It has restored hardwood floors, a vintage-looking but modern kitchen with a small bar for dining for two, as well as a breakfast nook with pleasant views of the landscaped backyard that can accommodate four.

The one bath is handsomely upgraded with two sinks and storage drawers.

In the Business Journal's next edition, on our ZIPpy little expedition, we'll hike up to the northern reaches of the city to check out 90805. ■



Brandon Richardson / Business Journal

The homes along the canals of Naples are among the most expensive in the 90803 ZIP code, as well as in the entire city of Long Beach.



Redfn

At the low end of homes in the 90803 is this two-bed, one-bath home on Santa Ana Avenue listed at \$1.3 million.



Redfn

A Spanish-style, 4,108-square-foot home on Termino Avenue in Belmont Heights is listed at \$2.67 million



Courtesy of Dave Van Patten

Dave Van Patten's 60-foot-long mural at Alex's Bar in Zaferia was painted in 2017 as part of POW! WOW!.



Redfn

A three-bedroom, two-bath house in Rose Park in the 90804 is listed at \$865,000.



Listing photo

This 1924 home on East 16th Street has three bedrooms and one bath. It's listed at \$679,000.



Thomas R. Cordova / Business Journal

The coastline in the 90802 Downtown area is dominated by condominiums and high-rise apartment buildings.



Listing photo

This home at 335 Tile Ave. is listed at \$659,000.



Redfn

This home on West Fifth Street in the 90802 is listed at \$689,000.



Redfn

A two-bed, one-bath home on East Appleton Street in Alamitos Heights is listed at \$920,000.



## Rent Costs

Continued from cover

At the beginning of the pandemic, apartment rental prices barely moved, until 2021 and into 2022, when rents began to sharply increase, Green said.

Many Long Beach ZIP codes saw increases of 5% throughout 2021, and ZIP codes in West Long Beach in particular have experienced the largest increases over the past few years.

High inflation is a significant factor in the projected increases, which the report forecasts will happen more quickly than was typically seen prior to the pandemic.

“We expect rents to go up—maybe not quite as much as inflation—but still to go up in the next couple of years, and we’re looking at 5 or 6% in Long Beach per year over the next couple of years,” he said.

The report, though, did contain some caveats. Green noted that it can be difficult to truly assess potential outcomes based on the past two years, which have been unlike any other years in history, he said.

Contributing factors noted in the report also include the significant levels of outmigration from Long Beach and Los Angeles County, mostly consisting of lower-wage earners who relocated to more affordable locations such as Arizona and Nevada, Green said.

While outmigration has led to rapid growth in per capita personal income in the Los Angeles area, which has retained and attracted higher-earning workers, it is unknown if this trend of outmigration could continue in the coming years, and what the impact could be on the current and future forecasts.

“Long Beach, in some ways, is a microcosm of the region in terms of the demographics, the income inequality—Long Beach has some very wealthy areas like Naples, and not very wealthy areas,” Green said. “If you go back 30 years, people would call it a pretty affordable community, and I don’t know if you could call it that anymore . . . Just like in other Southern California cities, (the trend of climbing rental prices) creates a real challenge from a quality-of-life perspective.”

Nationally, median rent rose over 19% from December 2020 to December 2021 in the 50 largest metro areas, according to a Realtor.com assessment of properties with two or fewer bedrooms.

In Long Beach, the median rental price is currently \$2,195—an increase of \$200 since last year, according to Zillow.

Based on the USC report, LA County’s average rent could rise from \$2,187 with a 3.6% vacancy rate, to \$2,289 by 2024, with a 4.59% vacancy rate—a 4.66% increase in

average rental prices. While in California, landlords can legally increase rent up to 5% per year plus a percentage change in the cost of living, with a total maximum of a 10% hike, landlords are not required to raise the rent each year, noted Sylvana Uribe, communications director at Long Beach Residents Empowered, or LiBRE, an organization that advocates for tenants.

“Stopping rent increases, or forgiving rent owed during the pandemic or even lowering rent prices to prices that tenants and their families can actually afford would be a great place to start in curbing this crisis and preventing mass evictions and mass displacement,” Uribe said.

LiBRE encourages renters to determine if rent increases they experience are legal, and if it is a case of eviction at no fault of the tenant, to utilize Long Beach’s relocation assistance, which requires landlords to pay either two months of rent or \$4,500 to tenants, whichever amount is higher, Uribe said.

But with LA County’s COVID-19 Tenant Protections Resolution expected to end Dec. 31 of this year, many tenants in Long Beach could be left unprotected, Uribe said.

“Now we’re approaching the holidays and possibly facing new surges of COVID-19, it’s not the time to leave folks vulnerable,” Uribe said. “Folks are recovering from the pandemic. They’re trying to get back on their feet. Inflation is at a high and as rents continue to rise, many tenants are not able to afford rent . . . and may have to leave the communities they’ve cultivated.”

Long Beach is becoming increasingly unaffordable, and with

rent expected to increase, rates of homelessness could rise along with it, Uribe said.

With the pandemic and subsequent rises in interest rates slowing down development projects, tackling the vacancy rates—and as a result, rising rent prices—will likely take time to combat, Green said.

California is already subject to more complicated and costly development regulations than many other states. While the Greater Los Angeles area, including Orange County, is 70% more populous than both Dallas and Houston, the region builds half as much housing as those cities.

“I will say Long Beach does seem much more open to doing the kind of development that’s necessary in order to ultimately lead to some relief on the rental side, but that impact will not be felt for some time,” Green said.

However, housing advocates such as Uribe remain concerned about the types of development projects that the city takes on, and whether or not they will really serve the existing low-income families that are in need of affordable housing.

“We’re seeing a lot of high rises and a lot of luxury apartments getting built particularly in the Downtown area,” Uribe said. “At times, there’s a promise of a certain number or percentage of units that will be reserved and affordable, but the definition of affordability keeps changing.”

For instance, affordability is sometimes determined by the median income of the area, but when wealthier populations move into these luxury apartments, the median income goes up, Uribe said.

“That would be something that has to be examined in the development

in these buildings,” Uribe said. As rent prices rise and Long Beach continues to grapple with a decreasing sense of affordability, members of LiBRE plan to examine how the city budget could include allocations for programs that provide legal support to renters. LiBRE members are also currently working on a mapping project outlining the increasing lack of affordability in Long Beach, with hopes of seeing change from city officials, Uribe said.

“We’re really fearful of how that’s going to change the makeup of our city in terms of people having to move out of the city, being pushed out of their communities, or unfortunately becoming homeless,” Uribe said.

The organization is also looking into introducing the city’s first community land trust—a model meant to stabilize neighborhoods while creating a path for low-income and marginalized communities to become homeowners and keep affordable units in place.

While there are cities exploring rent freezes or rent control, housing advocates unsuccessfully attempted to get a rent control measure on the ballot in Long Beach in 2018.

“We are definitely studying up on the lessons from that,” Uribe said. “This would be an effort that would require an immense amount of people power, and also a collaboration with elected officials, to kind of hear the pleas of their constituents who want to continue living, working and being part of the fabric of Long Beach . . . At the end of the day, it starts with affordability and making sure that we can actually keep them in their homes.” ■

# City leaders discuss solutions to homelessness Downtown

By Brandon Richardson

Leaders from across Long Beach City Hall are scrambling to address the homelessness crisis that’s unfolded Downtown over the last two years, as business owners threaten to leave the area.

More police officers, increasing Health Department outreach, expanding homeless shelter capacity and even declaring a state of emergency for the Downtown area are all plans that city officials have proposed over the last month, but it’s unclear how much of an impact any or all of those options would have.

The recent mobilization has come in the wake of outcry from business leaders, including an email from Beachwood Brewing co-owner Gabriel Gordon that outlined a list of issues related to homelessness that has driven down business significantly.

The business community, for its part, has expressed a cautious optimism in response to the city’s recently escalated efforts to come up with a more comprehensive solution. But as crime in the area continues to impact businesses’ bottom lines, they can only wait so long for a turnaround.

“We cannot look away from this situation,” Modica’s Deli owner Orsa Modica said, noting that issues surrounding homelessness are sensitive and often make people uncomfortable. “We are in crisis mode.”

Councilmember Mary Zendejas, who represents the city’s 1st District, which includes the Downtown area, agrees. She told the Business Journal she is drafting a City Council item to recognize homelessness as a public health crisis and declare a state of emergency. She said she is in the early stages so no details are available, but that it will be presented for consideration in December or January.

Meanwhile, the brainstorming continues.

Earlier this month, several city and business leaders—including Zendejas, deputy city managers Teresa Chandler and Linda Tatum, Health and Human Services Director Kelly Colopy, Police Chief Wally Hebeish, Public Works Director Eric Lopez, Long Beach Area Chamber President and CEO Jeremy Harris and Downtown Long Beach Alliance CEO Austin Metoyer—met to discuss the issue.

While the meeting was notable for the number of city and department leaders that were present, it resulted in few specifics on how to move forward.

Lopez, with Public Works,



Brandon Richardson / Business Journal  
A pedestrian walks down The Promenade past longtime Downtown staples Michael's and Beachwood Brewing.

committed to continue working with other departments and organizations, including the DLBA and Convention Center, to help improve safety in Downtown and across the city, according to Public Works spokesperson Joy Contreras.

Contreras said the department has not identified any specific solutions to move forward with yet, but actions such as improved lighting and landscaping would fall under their purview.

“I think there are different ideas we have yet to explore,” Contreras said. “But we’ll be working . . . to make sure our businesses, residents and visitors do feel safe.”

Long Beach Health and Human Services, which includes Homeless Services, is focused on increasing its outreach, while also brainstorming longer-term solutions, according to spokesperson Jennifer Rice Epstein.

The department declined to comment further on what those solutions could be.

The Police Department, for its part, hosted a virtual forum earlier this month, in which Hebeish focused largely on increased staffing as one way to address crime in the area. He said the city’s 2023 police budget was the “most ambitious” ever, which will see four additional bike cops (for a total of eight) patrolling Downtown as well as two dedicated quality-of-life officers.

The department is in the process of hiring those officers now, Hebeish said.

But even with more officers in the Downtown, Hebeish said the department has to determine the best use of its resources.

He said that focusing on public indecency, drug use and violence, for example, are better uses of officers’ time than arresting someone for

sleeping in a park after hours. But another issue police are facing, he added, is a lack of shelter beds. “There are many more people looking for shelter beds than there are beds available, so

Continued on page 16

## Habitat LA

Continued from page 9

1,500 square feet of shared open space for residents and on-site parking for guests.

During the Nov. 19 event, President and CEO of Habitat LA Erin Rank was honored by the nonprofit for helping build her 1,000th home in the Los Angeles area.

Rank said she never saw herself becoming someone who helps build homes.

But one day during a trip to the Philippines, she helped build her first one, which set her on a path back to her native Long Beach, where she saw a need for affordable housing.

Now, for the last 25 years, Rank has been working to revitalize Long Beach communities.

During Rank’s time with the organization, Habitat LA has significantly ramped up its construction, going from building roughly one home a year to now building 100 per year.

With the 10 townhouses at Millennium Homes, Habitat LA has now built 1,010 in Los Angeles during its 32-year history.

The nonprofit is currently working on a new project that will bring 36 new homes to the Washington neighborhood. ■



Brandon Richardson / Business Journal  
A skateboarder glides by an Ocean Boulevard apartment building with available units for rent.

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## Homelessness in Long Beach

an investigative series from the Long Beach Post

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**Tours Festivos Fuera de Horario**  
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**After-Hours na Holiday Tours**  
December 10 & 11, 3:30 - 7:30 pm

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Historic figures will enliven Rancho Los Cerritos as they demonstrate holiday traditions from the 1840s through the 1930s. In the historic adobe, costumed interpreters will engage with visitors and share information about the activities that are happening in the exhibit rooms.

Seasonal refreshments and live holiday music will complete the festivities. This event takes place primarily in the Rancho's courtyard, so visitors should dress for the weather.

These self-paced tours will take place on Saturday, December 10 & Sunday, December 11, starting every 15 minutes, 3:30-7:30 pm. Visitors can check-in at the Welcome Desk 10 minutes prior to their scheduled tour time. Group size is limited. A confirmed reservation guarantees admission; walk-ins will be accommodated as space permits.

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Thomas R. Cordova / Business Journal

A Southwest Airlines plane comes in for a landing at the Long Beach Airport.

# Breeze Airways loses flight slot at LGB, Southwest picks up 2 more

*Breeze, a Utah-based startup founded by JetBlue co-founder David Neeleman, remains on the airport's flight slot waitlist.*

By Brandon Richardson

After being awarded one daily flight out of Long Beach Airport in June, the new carrier Breeze Airways has forfeited the slot due to nonuse.

Despite not utilizing the now-lost slot, there is still a chance that Breeze will bring its services to Long Beach, spokesperson Gareth Edmondson-Jones told the Business Journal.

According to a memo released earlier this month, city staff informed Breeze that the airline was losing the slot on Sept. 23 due to its inability to begin service within 90 days of its allocation. Breeze service out of Long Beach was expected to begin in the fall.

The memo also announced that American Airlines informed airport staff on Sept. 12 that it voluntarily relinquished one flight slot.

Because the airport is limited to 53 flights each day, slots are allocated based on permanent and supplemental waitlists. Despite being at or near the bottom of both lists, Southwest was the only airline on the list to request both available slots, according to the memo.

No announcements have been made regarding the destinations for the

newly acquired Southwest flight slots.

Breeze, a Utah-based startup founded by JetBlue co-founder David Neeleman, and Canadian airline Swoop are the two most recent additions to the waitlist. New entrants have the right of first refusal for flight slots.

Breeze remains on the waitlist but declined the newly available slot. Swoop has been offered permanent flight slots on two separate occasions and declined both times.

“Our industry partners, especially start-up air carriers, are managing a number of factors in this environment,” said Airport Director Cynthia Guidry in an email. “We remain excited about the possibility of Breeze Airways establishing service at Long Beach Airport and wish them great success in their endeavors.”

Breeze recently picked up two flight slots at John Wayne Airport, a short drive up the 405 Freeway from Long Beach. The startup airline will fly to Provo, Utah, and Orlando, Florida, out of Orange County beginning in February.

Out of LAX, Breeze also flies to Provo as well as New York and South Carolina. The company also has one daily flight from San Bernardino to San Francisco.

Southwest, the airport's largest carrier, now holds 40, or 75%, of the airport's daily flight slots. The airport offers nonstop service to 17 U.S. cities, including Nashville, which started this month, and New Orleans, which begins early next year.

The remaining flight slots are flown by Delta Airlines (7), American Airlines (3), Hawaiian Airlines (2) and UPS (1). ■

# Red Room to reopen with new name, new concept next month

By Brandon Richardson

For over two decades, a red, illuminated awning shone like a beacon on Fourth Street in North Alamitos Beach, guiding patrons to the Red Room. But the iconic glowing landmark is now gone, as its new owners have made way for a rebranded bar.

Gianna Johns, 30, and her fiancé Daniel Flores, 42, took over the space and gave it a total overhaul—inside and out—and a new moniker: Baby Gee, which will open next month.

“We’re going to be serving really great cocktails,” Johns said ahead of its opening. “But we’re also going to be a place where people can grab a shot and a beer.”

This is both Johns’ and Flores’ first time as owners, but between the two of them, they have more than four decades of service industry experience. Johns said she has held every front-of-house position at

various bars and restaurants except general manager—most notably serving up drinks as head bartender at the NoMad Hotel in Los Angeles. Flores, meanwhile, has held every position except bartender.

“It’s perfect,” Johns said.

The pair met eight years ago and were dating within little over a year, Johns recalled. Early in their relationship, Flores—who was born in Long Beach and grew up just across the Orange County border—invited Johns to his mother’s wedding in Downtown Long Beach. After the wedding, the couple hit the town.

“It’s funny, Red Room was actually the first bar I ever went to in Long Beach,” Johns said. “And I loved it back then.”

During the pandemic, Johns said they spent a lot of time at Flores’ mother’s house in Long Beach. Over the last three years, Johns said she fell even more in love with the city as a whole, especially the art, music



Brandon Richardson / Business Journal

Daniel Flores and Gianna Johns stand in front of what used to be the Red Room bar on Fourth Street. The couple has taken over the space and will reopen it under the name Baby Gee.

and vintage scene on Retro Row.

The couple lives near Dodger Stadium now but plans to move to Long Beach once they save up to buy a house.

When the two decided to open up their own bar and heard Red Room was up for grabs, they jumped at the opportunity, Johns said, adding that their fond memories and the bar’s smaller footprint made it the perfect location for them.

On a tight budget, Johns said they renovated the space themselves with the help of a few friends. The skateboard decks that once adorned the walls are long gone, as is the slew of TVs that had replaced them. The bar has been refurbished, and the space has received a fresh coat of paint and new flooring.

The standing tables on the left side of the space were removed to make way for a custom banquette. A

Continued on page 22

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Bid Opportunities

| Title  | Bid Number | Due Date   |
|--|------------|------------|
| Petroleum Fuels  | FM-23-183  | 12/01/2022 |
| COVID-19 Memorial Call for Artist                                    | PW-23-189  | 12/06/2022 |
| Project Homekey 2 Operations & Support Services                      | HE-22-125  | 12/06/2022 |
| Animal Disposal Services   | PR-22-138  | 12/13/2022 |
| Industrial Gases   | CE-22-171  | 12/13/2022 |
| Electrical Supplies  | CE-22-164  | 12/13/2022 |
| 3004020020 Rebids: Davenport Park Phase II - Park Expansion          | PW-23-197  | 12/16/2022 |
| Renewable Natural Gas Supplier                                       | ER-22-173  | 01/10/2023 |
| Sale and Development of the Former Fire Station 9 at 3917 Long Beach | ED-22-149  | 01/17/2023 |
| On-Call Professional Engineering Services                            | WD-23-041  | 01/24/2023 |
| Point in Time Homeless Count App                                     | HE-22-124  | 02/09/2023 |

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# Rocket-Lab launched satellite reaches lunar orbit

By Brandon Richardson

After nearly five months of space travel, the CAPSTONE satellite launched by Long Beach-based Rocket Lab in June reached lunar orbit on Nov. 13, just days before NASA's successful Artemis I mission launch early on the morning of Nov. 16.

CAPSTONE is part of NASA's Artemis program, which is paving the way for astronauts to return to the moon and, ultimately, journey to Mars.

Since Nov. 13, CAPSTONE has been performing "clean-up" maneuvers to complete insertion into its unique target orbit. The satellite is testing an elongated lunar orbit, formally known as near-rectilinear halo orbit, for Gateway, a moon-orbiting space station.

CAPSTONE blasted off aboard a Rocket Lab Electron rocket on June 28. After reaching low Earth orbit, Rocket Lab's Lunar Photon spacecraft carried out a series of maneuvers over six days, circling the planet 37 times, before sending CAPSTONE on its way.

"After delivering a successful launch and deployment for CAPSTONE almost five months ago, we've watched with bated breath as [it] drew closer to lunar orbit," Rocket Lab founder and CEO Peter Beck said in a statement. "We're cheering CAPSTONE on as it now transitions into the next phase of operations in lunar orbit."

Rocket Lab's role in the mission was completed once CAPSTONE was released on July 4, with Advanced Space and Terran Orbital



Bill Ingalls / NASA  
Guests watch the launch of NASA's Space Launch System rocket carrying the Orion spacecraft on the Artemis I flight test, Wednesday, Nov. 16, 2022, from Operations and Support Building II at NASA's Kennedy Space Center in Florida.

managing operations of the satellite for the remainder of its journey.

NASA reported that on July 5 it lost contact with the probe due to an improperly formatted command and subsequent software issue. It took a day and a half to re-establish communications and execute course-correcting maneuvers.

CAPSTONE again faced trouble when it suffered a glitch during a planned trajectory-correction maneuver on Sept. 8. A valve-related issue caused the satellite to tumble beyond the capacity of onboard systems to recover. It took team members almost a full month to stop the spin and return the spacecraft to normal operations.

The satellite traveled more than

1.5 million kilometers from Earth, passing the moon before looping back to be captured by its gravity.

Just over 48 hours after NASA celebrated CAPSTONE's lunar arrival, the agency rejoiced at the successful launch of the Space Launch System, the most powerful rocket in the world, with the Orion spacecraft in tow.

The launch, which had been scrubbed twice and delayed a third time due to Hurricane Ian, is the first leg of a mission that is expected to see Orion travel 40,000 miles beyond the moon and return to Earth in about 25.5 days, according to NASA. Dubbed Artemis I, the mission is a precursor to the agency's moon and Mars exploration.

The flight is a test ahead of the crewed Artemis II mission.

"What an incredible sight to see NASA's Space Launch System rocket and Orion spacecraft launch together for the first time," NASA Administrator Bill Nelson said in a statement. "This uncrewed flight test will push Orion to the limits in the rigors of deep space, helping us prepare for human exploration on the Moon and, ultimately, Mars."

After reaching an initial orbit, Orion deployed solar arrays and engineers began checks of the onboard systems, according to NASA. After about one and a half hours, the rocket's upper stage successfully fired for 18 minutes, propelling Orion out of Earth's orbit toward the moon.

Orion has since separated from its upper stage, NASA announced.

Two Long Beach companies, Rubbercraft and NuSpace, contributed parts for the Nov. 16 mission, according to NASA's website. Rubbercraft, which produces seals and gaskets for aerospace, aviation, defense and medical industries, provided parts for the Orion. NuSpace, meanwhile, which specializes in propellant systems and tanks, contributed to the SLS.

The first goal of the Artemis program is to return people to the surface of the moon, including the first woman and person of color, by 2024. Using humans and robots, NASA plans to explore new locations starting with the lunar south pole.

After testing technologies and demonstrating capabilities on and around the moon, the agency hopes to send a crewed mission to Mars. ■

# Long Beach voters to weigh \$25 minimum wage for health care employees in March 2024

*The decision came after opposing coalitions both gathered enough signatures to place the issue on the ballot.*

By Jason Ruiz

A minimum wage increase for Long Beach health care employees will have to wait until 2024 after the City Council voted earlier this month to direct the city attorney's office to prepare to place it on the ballot before voters during the next regularly scheduled election.

The council had originally approved the \$25-per-hour minimum wage by ordinance in August after the initiative, which was backed by the Service Employees International Union-United Healthcare Workers West, turned in enough qualified signatures to election officials to qualify for this year's Nov. 8 election.

Councilmembers opted to adopt the increase outright instead of placing it before voters earlier this month, with some members saying that the number of signatures gathered showed the electorate supported the increase and that the cost—about \$150,000 to place the issue on the ballot—was too much.

The increase, which would have applied to all employees of private health care facilities including nurse assistants, landscapers and cafeteria workers, was placed on pause after a coalition of hospitals turned in enough qualifying signatures for a referendum on the issue.

Councilmembers had three options before them: repeal the ordinance, place it on the March 2024 ballot or call a special election next year so voters could decide the issue sooner. The city clerk's office said the current estimate for a special election is about \$8.6 million.

"It would be outside of our normal schedule," said City Clerk Monique de la Garza. "It would be a stand-alone election with no opportunity for cost-sharing with any other cities or the county that might be participating in that election date in any way."

Los Angeles County administers Long Beach elections, and the cost estimate includes the printing of all election material for over 270,000 registered voters, having election centers open for multiple days and the administration of the vote count.

Expensive special elections and recounts could be the new normal for Long Beach after voters

overwhelmingly voted in favor of aligning city elections with the state's cycle going forward. Measure LBC, which was on the ballot earlier this month, currently has 75% approval and would put Long Beach on a March-November cycle in presidential election cycles and a June-November cycle in gubernatorial cycles.

Maky Peters, an organizer with SEIU-UHW, thanked the council

for its vote earlier this year and asked them to place it on the 2024 ballot. Peters compared the hospital group's referendum to one that the oil industry is currently pursuing to undo an oil well setback bill adopted by the state earlier this year, which was authored by state Sen. Lena Gonzalez, D-Long Beach.

Peters said that direct democracy should work to protect ordinary

residents, not corporations trying to protect their bottom lines.

Calling a special election would have been difficult for the city, considering its current projected deficit for next year of about \$40 million. With the council kicking off the process to put the issue on the March 2024 ballot, the proposed \$25 hourly minimum wage will now be placed on hold until voters decide. ■

## Homelessness

Continued from page 11

we're regularly at capacity," Paul Duncan, Homeless Services Bureau Manager, said during the forum. "It's been quite challenging over the past six months."

Duncan said his team is continually looking at ways to increase shelter capacity, which will give police more options when they come across those open to assistance. Duncan noted the city recently purchased a nuisance motel in North Long Beach that will add 78 temporary beds, expected in roughly a year.

Hebeish said the various city departments need to continue working together to address these issues, adding that operating in silos is not an option.

"There have been some successes and there've been some failures," Hebeish said. "As a team, there are things we can improve upon."

For now, it appears Zendejas' idea

to declare a state of emergency may be the most novel approach that's come of the recent discussions. But it's unclear how impactful such a declaration would be.

City Manager Tom Modica (no relation to Modica's Deli owner Orsa Modica) told the Business Journal some declarations are "more of a general acknowledgment of urgency of priorities," as was the case in June 2020 when the City Council approved a resolution declaring racism a public health crisis in the wake of the George Floyd murder.

Some declarations, however, trigger sections of the city's Municipal Code that grant the city manager additional authority such as "increased purchasing limits and contracting ability of the City Manager on behalf of the council in order to provide quicker response," he said. This was the case with the city's mobilization around COVID-19 and monkeypox.

The ability to increase appropriations, meanwhile, would remain with the council. But often

additional dollars are set aside to support emergency response if federal or state dollars are not made available, he added.

For now, business owners said they're essentially left in a waiting game.

"City government needs to be more honest with the situation," John Sangmeister, owner of Gladstone's and regular city hall critic, said. "They need to be transparent, and they need to be accountable."

Other business owners, including the folks behind District Wine and Modica's Deli, have said they may be forced to relocate if the issues are not addressed soon.

Orsa Modica, who has owned and operated the deli on the corner of Ocean Boulevard and Linden Avenue for 26 years, said she is at a breaking point and that, during this month's meeting, city leaders definitely felt the owners' frustration.

Being located in Downtown for nearly three decades, Orsa Modica said she has seen major changes in the area. For many years, the changes were positive as the area

became safer and cleaner. The onset of the pandemic, however, marked a turning point.

"We're going backward," she said, noting that she surveils and cleans her corner. "I'm doing everything I can to keep this corner alive and make people safe."

Both Orsa Modica and Angela Mesna, owner of District Wine, said they and their female staff members will not leave their respective businesses at night without an escort due to safety concerns. With a lack of foot traffic, Orsa Modica said business is down around 25%.

Orsa Modica pointed out that the city was a leader amid the pandemic, quickly turning the Convention Center into a mass testing and vaccination site. She noted how quickly the city was able to prepare to house migrant children.

"Why can't we do this?" she asked. "Why can't we lead?"

"I'm a survivor, and I'm going to fight hard for what I believe in," she continued. "I'm going to be my damndest to bring this pressure to the city for change." ■



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# Catalina Express could see state funding to comply with new emissions requirements



Brandon Richardson / Business Journal  
A Catalina Express ship disembarks from its Downtown Long Beach dock.

By Tess Kazenoff

Catalina Express, the primary mode of transportation between Catalina Island and the mainland for the past 40 years, could see some state funding to help it comply with new emissions standards that start going into effect next year.

The news comes as the California Air Resources Board voted earlier this month to approve allocating \$60 million to help companies pay to upgrade their fleets.

Catalina Express must now go through an application process to be eligible to receive some of that funding. It will likely be months before the company learns if its application is successful and how much of the \$60 million it would receive.

The funding, though, is much-needed for Catalina Express, which previously expressed concerns about having to shutter because of the cost of adhering to the stricter requirements. The regulations—which were

approved in March and will require harbor crafts such as tugboats and ferries that operate along California's coast to upgrade to the cleanest and newest Tier 4 engines—are expected to result in an 89% reduction of diesel soot (or particulate matter) and a 54% reduction in nitrogen oxides by 2035.

The company's plans for full compliance are still in the works, but for now, Catalina Express president Greg Bombard said the company is proposing to replace three of its older vessels with one larger Tier 4 vessel, which will be able to transport the same amount of people as the three initial ships, Bombard said.

Bombard does not anticipate that replacing three vessels with one will impact Catalina Express' daily schedule at all.

"We're lucky enough that we've been in business for almost 41 years now, and we know where that vessel will fit into the schedules to be able to accommodate the amount of people that we normally move," Bombard said.

Still, by 2025, Catalina Express will

have five vessels that will not adhere to the new regulations, Bombard said.

But Bombard expects that within the next year, Catalina Express will identify how to meet both entities' goals without any interruption of service, he said. While the new amendment goes into effect in early 2023, its requirements are phased in through the end of 2032.

"We'll try to do everything we can to meet their regulations, but also we'll need to look for some help," Bombard said.

And luckily, there are possibilities for receiving extensions if needed, Bombard said.

This wasn't the first time that CARB has imposed new regulations on the company; most recently, in 2009, a regulation mandated that Catalina Express update its fleet to Tier 3 engines, an endeavor that cost about \$4 million per vessel, Bombard told the Business Journal in March.

As of November, six out of Catalina Express' eight vessels have been or are in the process of updating to Tier 3, but upgrading to Tier 4 is an entirely different scope, Bombard said. The company has been able to demonstrate the magnitude of those challenges through studies it launched when the new regulations were initially proposed.

"What we were able to show the staff of CARB was it wasn't feasible for us to upgrade existing boats," Bombard said.

Although upgrading each vessel with a Tier 4 engine would cost about \$9 million each, the feasibility studies demonstrated that the new engine would add so much additional weight, that in order to meet safety requirements, the ship would need to go from carrying 390 passengers to only 172, a reduction of 56% of its passenger capacity, Bombard said.

"That's not feasible in anybody's eyes," Bombard said.

As a result, the only solution would be to replace the entire ship with a new one—however, this proved to have its own challenges, as replacing one ship would cost about \$20 million, Bombard said.

"That's a lot of money, and what we worry about as much as anything, because we are the lifeline link to Catalina Island—if we have to go out and replace this fleet . . . we're going to have to spend somewhere in the neighborhood of \$120 million," Bombard said. "CARB staff understood, they started listening."

Prior to the passage of the new regulation, Catalina Express began seeking grant funding or government assistance, although most state and federal funding is specifically allotted to the transition to zero-emission technology, Bombard said.

While Catalina Express conducted

another study to assess the feasibility of adapting to zero-emissions technology such as electric or hydrogen-operated fleets, the result proved that the current technology was not up to par with the needs of the company, and is better suited to short-haul ferries that can make slower trips, Bombard said.

Additionally, while many ferries that operate throughout California are publicly operated, Catalina Express is privately owned, and does not have the tax structure to support the efforts, especially considering Catalina Island is only home to 4,000 people, Bombard said.

Raising ticket prices to compensate for the funding was not an option, as it is integral that pricing remains affordable, particularly for residents of Catalina Island who need to travel back and forth for essential services, Bombard said.

Without the funds to support the new regulation, the company had concerns that it may need to go out of business, a prospect that would severely impact Catalina Island's economy.

"We're an essential transportation to Catalina," Bombard said. "The whole economy at Catalina is built on tourism."

Luckily, CARB was receptive to Catalina Express' concerns, Bombard said.

"We're both in kind of a position where we need to meet the goal of emissions but we need to keep prices in line so everybody can enjoy Catalina . . . and keep it affordable for everybody," Bombard said. "That's where the hard part comes in."

Prior to the pandemic, Catalina Express averaged about 500,000 roundtrip passengers for a total of 1 million crossings each year.

Although passenger numbers dropped 43% in 2020, by the end of 2022, Bombard anticipates that Catalina Express could reach its 2019 levels, he said.

Particularly following pandemic restrictions, people became even more aware of what Catalina had to offer as far as an outdoor destination, Bombard said.

"I think Catalina really was a popular location once we were able to reopen to accommodate everyone on board and not just essential travel," Bombard said.

With ports in Long Beach, Dana Point and San Pedro, Catalina Express has transported over 33 million people since its 1981 founding.

"We look forward to working with (CARB)—we think that it's a challenge, we've had a lot of other challenges through our 40 years, and we've just got to make sure that we look after the general public, and we look after Catalina Island, as those folks are depending on us to be there every day," Bombard said. ■

# Long Beach, LA County unemployment remains below pre-pandemic levels

*Despite falling below the February 2020 unemployment rate of 4.8%, the current rate is still a ways off from the historic low of 4% in April 2019.*

By Brandon Richardson

While statewide unemployment ticked up slightly in October, it remained unchanged in Long Beach and Los Angeles County, according to data released this month by the California Economic Development Department.

The city's unemployment rate dropped to 4.6%, below pre-pandemic levels, in September, after it jumped in the previous three months. In October, it remained the same despite the number of

unemployed residents dropping by 100 to 10,500.

Long Beach's labor force dropped by 2,000 to 226,900, and the number of employed residents also decreased, falling by 1,800 to 216,500.

"I am happy to see inflation cool the most significantly it has in the past 12 months and see the strength in key economic drivers of aerospace, tourism, healthcare, logistics and professional services as they grow and add jobs," Nick Schultz, executive director of the city's Pacific Gateway Investment Network, said in an email to the Business Journal.

Despite falling below the February 2020 unemployment rate of 4.8%, the current rate is still a ways off from the historic low of 4% in April 2019, Schultz noted.

The city's standing in the county in terms of unemployment faltered slightly, according to state data. The city's rate is higher than 69.4% of other cities and areas, compared to 68% in September. Five cities—

Baldwin Park, Bell, El Segundo, Los Angeles and Pomona—have the same unemployment rate as Long Beach.

LA County's figures followed the same trend as Long Beach, with the total number of unemployed residents, the labor force and the number of employed residents all falling, state data shows. The county unemployment rate remained just below Long Beach's at 4.5%.

The number of unemployed residents countywide decreased by 2,300 to 218,600. The labor force, meanwhile, was reduced by 42,500 to 4,899,800, and the number of employed residents fell by 40,300 to 4,681,200.

Statewide, the unemployment rate ticked up from 3.7% in September to 3.8% last month, according to state data. Despite the slight bump, economists said the month was positive for California.

"October marks a significant milestone for California with employment in the state reaching full recovery from the pandemic driven losses," Taner Osman,

research manager at Beacon Economics and the UC Riverside Center for Economic Forecasting, said in a statement. "This feat is particularly impressive since the state's labor force has about one-quarter of a million fewer workers than it did prior to the crisis. The lowest unemployment rate on record has helped to offset the contraction in the state's labor force."

As expected, the largest job gains statewide continue to be seen in sectors hit hardest by the pandemic, according to the Beacon-UCR analysis. Some sectors have surpassed pre-pandemic levels, but those hit hardest continue to lag.

Health care led payroll gains last month, expanding by 19,500 jobs. Leisure and hospitality, meanwhile, added 13,500 jobs, but the sector remains 6.2% below February 2020 levels.

The largest number of job losses in California in October was government, which decreased by 8,700. Retail trade, education and construction also saw losses. ■

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Thomas R. Cordova / Business Journal

A U.S. Customs and Border Protection agent goes through boxes of products coming in from overseas in Carson. CBP reached \$1 billion worth of fake products seized in the most recent fiscal year, breaking an all-time record.



Thomas R. Cordova / Business Journal

Counterfeit items are on display in the U.S. Customs and Border Protection LA/LB Seaport in Carson.

# Customs seizes \$1B in counterfeit goods from Los Angeles, Long Beach ports

By Fernando Haro Garcia

United States Customs and Border Protection officials are cautioning consumers ahead of the holiday season to beware of fake merchandise being sold online after the agency seized \$1 billion in counterfeit products from the Los Angeles and Long Beach ports for the first time in a fiscal year.

Officials said the record-breaking number was a 38% jump from the amount of fake products seized during the previous fiscal year. From October 2020 to September 2021, the

CBP seized roughly \$725 million in counterfeit items.

Historically, counterfeiters have sold their products on fake websites and through underground outlets, but with the rise in e-commerce, especially during the pandemic, counterfeiters began hiding behind well-known websites, posting fake items for sale that appear real, CBP officials said.

“The message today isn’t to criticize online retail ... our goal today is to raise awareness for consumers, especially as we head into the holiday season,” Donald Krusser, director of the LA and Long Beach seaport

for the CBP, said earlier this month during a presentation of the some of the items that have been seized. “If the deal seems too good to be true, it probably is.”

At the warehouse, customs agents displayed several counterfeit items, from fake Lysol disinfectant spray to replica Nike shoes and Versace bags. Although many of the items appear real, they often have uneven stitching or spelling mistakes, Krusser said. In some instances, items can contain ingredients or paints that are toxic to humans, officials said.

Customs officials said agents are

sometimes trained by manufacturers on what to look for when new products come in. Other times, the agency just relies on its officers’ intuition, officials said.

In order to come up with the value of the number of products seized, the agency checks how much the real companies would have made from the products if they had been genuine, Krusser said.

Krusser said the majority of the shipments involving counterfeit items appear to come from China, with some of the top items produced being footwear, apparel and handbags. ■

## Long Beach plans homeless encampment sweeps ahead of next week’s tree lighting

By Jeremiah Dobruck

Long Beach officials say they’re trying to make people feel safer in Downtown Long Beach by lighting up more streets and alleyways, tightening up the operations at construction sites, and speeding up the city’s ability to sweep away homeless encampments prior to the city’s annual tree lighting ceremony.

“We’re doing whatever we possibly can to make it a better environment for your guys’ guests, as well as our residents and our businesses,” Long Beach Police Department Commander Stephanie Hall said to a group of hotel operators and hospitality industry leaders gathered for a meeting of the Long Beach Convention and Visitors

Bureau earlier this month.

The CVB and Long Beach Convention & Entertainment Center are prepping for the annual Christmas event that includes lighting a 67-foot tree in front of the Terrace Theater Plaza, which is scheduled for Dec. 5, but the event is taking place in the wake of complaints from Downtown business owners that customers are being driven away by rising crime, noisy construction and a growing homeless population.

Mainstay restaurants like Modica’s Deli and Beachwood Brewing have said the situation has grown untenable and could force them to move if it’s not addressed.

At the Nov. 17 meeting, Hall and Public Works Director Eric Lopez outlined a series of steps they

want to implement before the tree lighting, which typically brings large crowds Downtown.

One of those tactics is more swiftly sweeping away homeless encampments before they can grow, according to Lopez.

Lopez said his department is training cleanup teams that work daily in Downtown Long Beach to post the 48-hour notices required before Public Works can perform an encampment sweep.

Lopez said Public Works is trying to do these sweeps, which involve impounding or cleaning up any property left behind by homeless residents, more frequently in the hopes of preventing a small encampment from growing into a large one.

The goal, Lopez said, is “a lot better responsiveness to not allow these encampments to grow and grow and grow and get worse and dirty.”

That comment was met with applause from the CVB board.

Lopez said his department also plans to increase the nighttime lighting by 30% to 40% by adding lights to side streets and alleyways in

the heart of Downtown.

He said The Promenade and Harvey Milk Park are already bathed in light overnight, and he wants to expand that to Tribune Court and Waite Court, the two alleyways immediately west and east of the Promenade. Public Works is also looking at brightening Third Street and Broadway, he said.

Public Works has also started dispatching overnight inspectors to the many active construction sites Downtown so they can compile lists of things for developers to address such as trash left overnight or open areas that allow people to congregate.

Hall, the LBPD’s southern division commander, said her department and Public Works planned an overall “sweep” in Downtown about a week before the tree lighting to clean up encampments and push people on the street toward housing, shelter and mental health resources.

“I take it personally when people don’t feel safe in my division,” Hall said. ■

## Alder & Sage coming to Retro Row next month

By Laura Anaya-Morga

After operating the iconic Portfolio Coffeehouse on Retro Row for over 32 years, Kerstin Kansteiner is ready for something new.

Earlier this year, Kansteiner shuttered her two beloved restaurants, Portfolio Coffeehouse and Berlin Bistro, and is now merging those two concepts into a new space she’s calling Alder & Sage. Located in the Bluff Heights neighborhood at 366 Cherry Ave., Alder & Sage will bring the same welcoming, community feel to Retro Row with a brand new look.

Work is currently underway to renovate the space, and Kansteiner is hoping to open Alder & Sage in mid-December.

The story behind the new restaurant is all in the name.

The mid-century building that the new restaurant will now occupy used to be home to a preschool, with ample space on the inside and in the backyard where children used to run around and play. Kansteiner wanted to keep the elements of the old building in her design as well—large windows, exposed alder wood and even an old sand pit in the backyard that will be turned into a ‘70s-style conversation pit where customers can lounge.

As for the sage, Kansteiner said it comes from the experience she went through with Portfolio over the past few years.

“I felt like I needed some sage-ing after the process I went through,” said Kansteiner.

Portfolio Coffeehouse closed its doors on July 31 after a lengthy landlord dispute and a four-year legal battle over what she argued were unfair rent increases that ultimately ended up costing both sides more than \$200,000 combined in legal fees.

The legal battle ended in June 2021 with Portfolio’s lease being extended for one more year, forcing Kansteiner to say goodbye to her business on the southeast corner of Fourth Street and Junipero Avenue.

Berlin Bistro, which she opened in 2011 with friend and business partner Rand Foster, who owns the neighboring record store Fingerprints, remained open until Oct. 16 as they prepared for the move.

During that time, customers got to sample some of the new offerings that will be available at Alder & Sage, including coffee-rubbed pork belly hash, Jidori chicken lettuce wraps and an all-new breakfast burrito by chef James Wilschke, who will head up the kitchen during breakfast and lunch services.

Of course, Portfolio’s coffee and pastries will also be on the menu.

When it first opens, Alder & Sage will only be open for daytime service as the team works on securing the restaurant’s beer and wine license



Brandon Richardson / Business Journal

Sparks fly as a welder works on the new ADA ramp outside Alder & Sage, the new concept that is bringing together the now-shuttered Portfolio Coffeehouse and Berlin Bistro.

before introducing a dinner service sometime next year.

Throughout the transition, Kansteiner wanted to ensure that her staff, many of whom had been employed with her for over 20 years, would be well taken care of. After

both restaurants closed, some staff chose to move on to other jobs, and others went on unemployment for a few months, but they have all been offered their jobs back at Alder & Sage and will be welcomed with open arms, Kansteiner said. “We’re

doing everything that we need to do to get them back on board.”

As for the restaurant itself, natural, organic and eco-friendly elements are reflected all around, something that Kansteiner said was very important to her.

The building’s original ceiling beams have been repurposed as fencing outside, the kitchen will be zero-waste, and herbs and vegetables will be grown on the premises. Along with on-site composting, the restaurant will also have drought-tolerant landscaping and plenty of bike racks to encourage customers to ditch their cars.

“Being mindful of the planet and sourcing responsibly, using sustainable ingredients has always been important to us,” said Kansteiner.

The new place is larger in square footage than both Portfolio and Berlin Bistro combined and will include elements of the old restaurant including Berlin’s large community table in the backyard, ample outdoor seating and two fire pits.

“To me, it feels good. It is really the space that I always wanted to be in,” said Kansteiner. “It feels special going back to Retro Row and being a block away from Portfolio.” ■

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# Unionized Starbucks stores hold strike on Red Cup Day

*It's one of the coffee chain's busiest days of the year, in which it gives away free, reusable holiday cups to customers.*

By Laura Anaya-Morga

In Long Beach, Starbucks union members gathered at the picket line earlier this month to participate in a nationwide strike on Red Cup Day, one of the coffee chain's busiest days of the year in which it gives away free, reusable holiday cups to customers. About 100 stores nationwide participated in the one-day strike on Nov. 17.

The Starbucks store on the corner of Redondo Avenue and Seventh Street was completely shut down as its employees gathered outside to call for fair contract negotiations, which they say have been purposely delayed by the company.

Josie Serrano, a barista at the unionized store in Long Beach, has been leading their store's unionization efforts since earlier this year and said that all they want is to have a contract that reflects their list of demands including fair pay, fair labor practices and benefits for unionized employees.

"If Starbucks were to sit down tomorrow with us and bargain, I don't think that we would have any more of these huge actions. ... But if Starbucks is going to continue to delay and union bust and fire workers around the country, then we're gonna



Brandon Richardson / Business Journal

Employees of the Starbucks at Seventh Street and Redondo Avenue participate in a nationwide strike that included over 100 unionized stores Thursday, Nov. 17, 2022.

keep standing up and showing them that we're still here and we need this contract," Serrano said.

Another unionized location on Candlewood Street in Lakewood was also on strike, along with 10 stores in California and hundreds of workers across the country who say they're underpaid, understaffed, feeling overworked and met with resistance when trying to bargain for a contract, Serrano said.

In contract bargaining, unionized stores are asking for organizing rights, health and safety protocols and scheduling benefits, among other things as listed on the Starbucks Workers United website.

The Long Beach and the Lakewood stores unionized in May, becoming the first and second Starbucks stores to do so in Southern California. Now, they are joined by two stores in Los Angeles and one in Anaheim that also went on strike

on on Red Cup Day, according to Starbucks Workers United.

At the picket line, the workers at both stores were joined in solidarity by mayor-elect Rex Richardson, L.A. County Supervisor Janice Hahn and members of Councilmember Cindy Allen's office.

Starbucks, meanwhile, has filed four unfair labor practice charges against Workers United for failing to bargain in good faith, claiming that union workers in Buffalo, Chicago, Ann Arbor, Louisville and Long Beach were virtually broadcasting the contract negotiating sessions and posting recordings of the meetings online.

On Oct. 28, the company filed 22 more charges and stated in a release that "Workers United representatives continued to thwart NLRB rules throughout the week, resulting in extensive and wholly unnecessary delays that negatively affect our partners." ■

## Red Room

Continued from page 15

large booth will also be installed.

The decor is eclectic, consisting largely of antique lamps and "funky" paintings and portraits.

"We like to think of it as an extension of our home, like our living room where we entertain," Johns said. "It should feel like a neighborhood bar."

The bar no longer has a pool table, but there will regularly be a DJ spinning vinyl records—mostly older material from the 1960s and '70s.

On the exterior of the bar, in addition to the removal of the red awning, the building also has been painted. New awnings will be installed, and the windows will be faux stained glass.

The bar has around 20 taps, and about half of them will be dedicated to craft beers. But the bar will also serve cocktails, kombucha, fermented ginger beer and other specialty items on tap.

The forefront of the business model, however, is the bar's expansive cocktail menu, Johns said.

"We like to use really unique and special ingredients, and culinary techniques," she said, noting that the menu is still approachable and fun for everyone. "They're definitely going to be really cool and elevated."

The dive formerly known as Red Room has been a bar since at least the 1950s under a series of different names and owners, according to Blake Whytock, owner of the Good Bar on Seventh Street and former manager of the Red Room.

In 1999, it was transformed into the Red Room. Two years later, Whytock was drinking at the bar in his restaurant uniform, when the barback did not show up. The manager asked him if he wanted to help with some dishes, he said "yes," and he ended up working at the bar for 14 years, including introducing the street's first \$1 beer night, which would later be co-opted by Fern's (now Bird Bar) a block away.

"Red Room was huge for all of us," Whytock said, adding that he will miss the space he helped create. He acknowledged, though, that it was a smart move to take down the awning, which will allow the new owners to shed the past and fully make the space their own.

"Everything changes," he said. "I'm just glad it's still gonna be a bar. I hope they succeed."

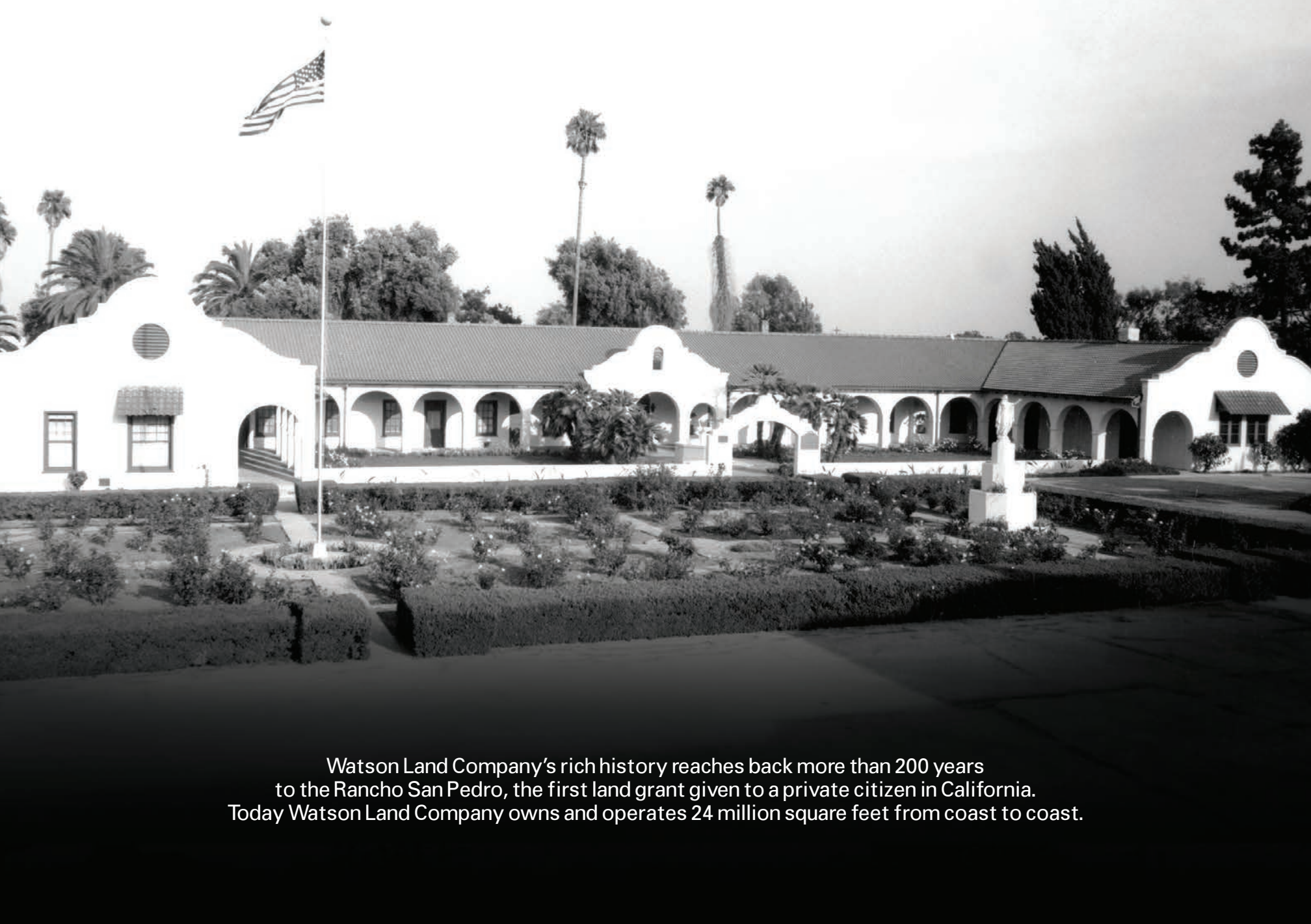
Now that it is their turn to rebrand the bar, Flores suggested naming it after Johns—since she was a baby, her nickname had been Baby G. Johns said she was a little shy about the idea, so they compromised by adding two Es.

"It's kind of a retro feel, like gee-whiz—that's the vibe," Johns said. "We love that we landed on Fourth Street with Retro Row right there. It's my favorite street in the city." ■

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# Southwest Airlines adds route to Salt Lake City from Long Beach Airport

By Tess Kazenoff

Southwest Airlines is adding another route to its flight offerings from Long Beach Airport early next year.

Beginning on Jan. 5, the airline will offer one daily nonstop flight each way between Long Beach Airport and Salt Lake City.

"We're happy to hear of Southwest Airlines adding nonstop service to Salt Lake City from Long Beach Airport," Airport Director Cynthia Guidry said in a statement. "This is one more opportunity for their customers to take advantage of

the convenience and charm of LGB."

The new flight comes as Southwest is also set to remove two routes from John Wayne Airport in Orange County—one that flew to Chicago's Midway International Airport and one to Salt Lake City International Airport.

The Dallas-based airline first began service in Long Beach in 2016 and has continued to increase its presence at the airport.

Since the departure of JetBlue in October 2020, Southwest has become the dominant carrier at LGB. Of the 53 daily flight slots available at Long Beach's airport, Southwest

currently uses 38.

This year, the airline announced it will begin offering nonstop flights to New Orleans early next year, and in early November, the airline began nonstop service between Long Beach and Nashville.

With the addition of the Salt Lake City route, Southwest Airlines is slated to offer nonstop flights to 16 U.S. cities from Long Beach Airport. Delta also currently offers multiple daily nonstop flights to Salt Lake City.

Long Beach Airport currently offers nonstop service to 17 destinations across the nation, including Hawaii. ■



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